

# Oklahoma Volkswagen Settlement

## Alternative Fuel School Bus Program

November 7, 2019

Presented by:

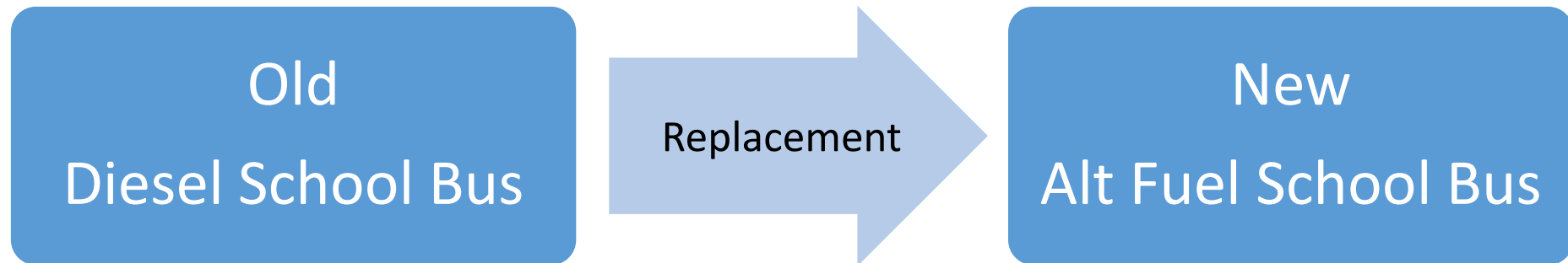
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# Alternative Fuel School Bus Program

- Goal: **reduce NOx emissions from diesel school buses** and protect the health of school children and the environment



## 2018 vs 2019

- Removed hybrid-electric as an eligible fuel type
- Removed repower as an eligible project type
- Changed “Request for Proposals” (RFP) to “Grant Solicitation”
- Funding:
  - Total allocated for AFSB under the VW Settlement = \$4,184,000
  - AFSB funds used in 2018 = \$1,584,000
  - AFSB funds available for 2019 = **\$2,600,000**

# Eligible Projects

- Alternative fuel school bus replacements:
  - All-electric (including charging infrastructure)
  - Compressed Natural Gas (CNG)
  - Liquefied Natural Gas (LNG)
  - Liquefied Petroleum Gas (LPG)/Propane

# Projects: Eligibility

- All school districts within Oklahoma
- Requirements for original project buses (“eligible buses”):
  - Diesel fueled
  - Transport pre-Kindergarten through grade 12 students
  - Active service primarily in Oklahoma & at least 3,000 miles driven last year
  - Engine model year (EMY) 2009 or older
  - Gross vehicle weight rating (GVWR)  $\geq 14,001$  lbs.; Class 4-8
  - *If funds are awarded, must be properly scrapped with documentation*

## Projects: Scrappage



- Hole drilled in engine block
- Vehicle frame rail cut in half
- Required documentation includes photos and signed destruction forms



# Reimbursement: Match Requirements

Table 1: Maximum Reimbursement Amount (Percentage)

Maximum Award %	50%	<u>Government</u> owned: <ul style="list-style-type: none"> <li>Natural gas (CNG, LNG)</li> <li>Propane (LPG)</li> <li>All-electric &amp; associated charging infrastructure</li> </ul>	<u>Non-government</u> owned: <ul style="list-style-type: none"> <li>All-electric &amp; associated charging infrastructure</li> </ul>
	25%		<u>Non-government</u> owned: <ul style="list-style-type: none"> <li>Natural gas (CNG, LNG)</li> <li>Propane (LPG)</li> </ul>

## Maximum reimbursement levels

- For **government** owned school buses:
  - Up to **50%** of the cost of replacement, and/or charging infrastructure for any eligible fuel type
- For **non-government** owned school buses:
  - Up to **25%** of the cost of replacement with CNG, LNG, or LPG/propane
  - Up to **50%** of the cost of replacement to all-electric, including charging infrastructure

## Reimbursement: Caps

## Projects are subject to:

- A match share requirement (Table 1)
  - Section III.C of Grant Solicitation
- A per-item cap (Table 2)
  - Section III.B of Grant Solicitation
- And a reimbursement cap = \$300,000

### Table 2: Maximum Reimbursement Caps\*

Per-Vehicle Replacement Reimbursement Caps						
School Bus Type	Government-Owned			Non-Government Owned		
	LPG	CNG	Electric	LPG	CNG	Electric
Type A, up to 20 passengers	\$33,783	\$43,783	\$150,000	\$16,891	\$21,891	\$150,000
Type A, 21-28 passengers	\$33,882	\$43,882	\$150,000	\$16,941	\$21,941	\$150,000
Type A, 29-36 passengers	\$34,794	\$44,794	\$150,000	\$17,397	\$22,397	\$150,000
Type C, up to 39 passengers	\$43,751	\$53,751	\$175,000	\$21,875	\$26,875	\$175,000
Type C, 40-42 passengers	\$43,902	\$53,902	\$175,000	\$21,951	\$26,951	\$175,000
Type C, 43-48 passengers	\$44,054	\$54,054	\$175,000	\$22,027	\$27,027	\$175,000
Type C, 49-54 passengers	\$44,205	\$54,205	\$175,000	\$22,103	\$27,103	\$175,000
Type C, 55-59 passengers	\$44,764	\$54,764	\$175,000	\$22,382	\$27,382	\$175,000
Type C, 60-65 passengers	\$45,322	\$55,322	\$175,000	\$22,661	\$27,661	\$175,000
Type C, 66-71 passengers	\$45,418	\$55,418	\$175,000	\$22,709	\$27,709	\$175,000
Type C, 72-77 passengers	\$45,917	\$55,917	\$175,000	\$22,959	\$27,959	\$175,000
Type D, 70-90 passengers	\$60,000	\$70,000	\$175,000	\$30,000	\$35,000	\$175,000
Electric Bus Charger Reimbursement Caps						
Charger Only			Charger with installation			
\$350			\$1,100			
TOTAL Project Reimbursement Cap						
\$300,000						



# Projects: Options

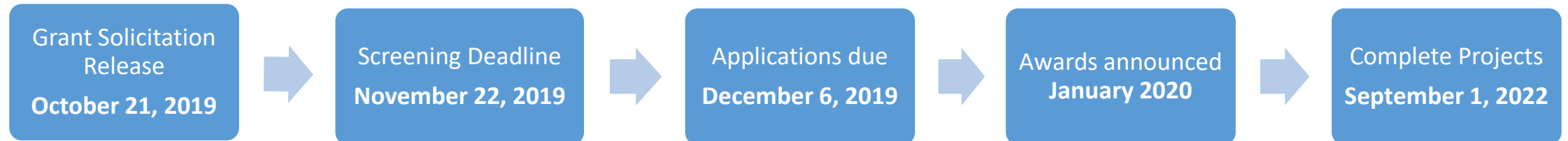
- Right-sizing is acceptable
  - Greater emissions reductions
  - Positive effect on application ranking
- Project cost may include chargers for all-electric school bus
  - Must provide itemized quote with application
  - May reduce cost-effectiveness score

# Application Information

- Scoring criteria are in Grant Solicitation Section V and Appendix A.
- Top scoring priorities: **Cost effectiveness** and **BMP Target Areas**
  - Emissions reduction per dollar
  - Counties and other areas at risk from higher air pollution
- Applications may be submitted via email or postal mail
  - Submission and address information are in Section VIII.B of the Grant Solicitation

# Timeline

- Final Deadline: December 6, 2019
  - *Screening Deadline: November 22, 2019*
- Recipients will be contacted in January 2020



## Receiving the Award

- Memorandum of Agreement (MOA) execution will be required before work can begin
- Recipients must notify DEQ of any project changes ASAP
- Reimbursement will not occur until project is complete and all required documentation submitted

# Oklahoma Volkswagen Settlement

Email: [VWSettlement@deq.ok.gov](mailto:VWSettlement@deq.ok.gov)

More information available at:  
<https://www.deq.ok.gov/air-quality-division/volkswagen-settlement/alternative-fuel-school-bus-program/>

Thank You!

